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# Marketing Activities

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## TOBACCO FARMERS STUDY

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"Net-weight trading" at every step of the marketing process would be advantageous to the cotton industry, Dr. Wright says. He is in charge of cotton marketing studies for the Agricultural Marketing Service.

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## PROBLEMS OF DISTRIBUTION

"At long last, we've licked the problem of being able to produce enough for everybody. Science has taken care of that. The trouble is, however, that we haven't learned how to distribute what we've learned to produce. We've got everything but tickets of access to what we've got all around us.

"Adequate diets for civilians are quite as important as adequate armaments for soldiers. It is estimated that 45 percent of our population is living below the danger line so far as nutrition is concerned. That's a national disgrace in a land bulging with foodstuffs. Fortunately, we're moving forward to correct it, and we're succeeding because of the united effort behind the various programs to use our surpluses in such a way as to build up health standards."

--Milo Perkins, Administrator,  
Surplus Marketing Administration.

TOBACCO FARMERS STUDY  
PROPER SORTING METHODS

. . . . . By Chas. E. Gage

Tobacco growers, young and old, are going to school again. But this time they are not studying the three R's; at neighborhood group meetings throughout the important tobacco-producing sections they are learning proper methods of preparing their crops for market. Trained tobacco specialists conduct these informal classes and, through the medium of actual demonstrations with cured leaf, show growers how to grade their crops. The tuition is free.

This type of activity, one that is becoming more and more popular with tobacco growers, is carried on by the Agricultural Marketing Service in cooperation with various State agencies. The complete program includes demonstrations to small groups of growers right out on the farm, night meetings at schoolhouses or other suitable gathering places, talks to farm boys at agricultural high schools, course of instruction to groups of agricultural teachers, meetings with county agents, short courses at agricultural colleges, and the preparation of tobacco exhibits for State and County Fairs.

The background for this program lies in the heavy losses incurred by growers each year through faulty sorting and tying at the farms, and through poor packing of the baskets on sales floors. In many cases, tobacco of varying body, quality, and color is brought together in the same hand or bundle; and bundles of different grades are mixed in the basket or lot. The profits made by speculators, especially by the so-called "pinhookers," grow out of these faults. As buyers on the market, the speculators are able to spot and purchase the poorly-handled baskets. After proper re-sorting, the tobacco is resold at a nice profit --a profit that would accrue to the producer if he would only pay more attention to details.

Demonstrators Talk Farmers' Language

In demonstrating proper sorting methods, qualified men with a flair for talking about tobacco in an understandable manner get farmers together in small groups. Then, with freshly cured tobacco to work on, the demonstrators get right down to the business of sorting and tying. In sections where the tobacco is stalk-cut, the demonstrations begin with the stripping. The elements of group, quality, and color are explained, especially the distinctions between the leaf, cutter, and lug groups; in the case of Burley tobacco, leaf, lugs, and flyings are differentiated. Since proper preparation of the tobacco is absolutely fundamental to successful marketing, and many growers are poorly trained in this important respect, the educational program is one answer to a long-felt need.

Night meetings are held to explain the Federal system of grades and how they can be used as a guide in preparing and marketing tobacco.



George W. Jones, Agricultural Marketing Service inspector, explains the fine points of sorting flue-cured tobacco to a group of growers near Moultrie, Georgia. The elderly gentleman with the glasses doesn't want to miss a word.

Proper preparation at the farm means a higher grade at the designated markets. Watkins Northington, Federal - State inspector is grading fire-cured tobacco at Clarksville, Tennessee, prior to the sale.



This is important to the tobacco grower inasmuch as increasingly large percentages of the crop are being sold at markets designated for free and mandatory Federal inspection. Under authority of the Tobacco Inspection Act, Federal inspectors examine and certify according to grade, prior to the auction, each lot of tobacco offered for sale on a designated market. By having disinterested and authentic information on the quality of each basket he offers, the grower is protected against erratic price fluctuations.

The thorough understanding of the grades gained at these meetings also enables the grower to interpret properly the market news reports issued in conjunction with the inspection service. In order to make price information available, Department of Agriculture market reporters follow the sales on the auction floors and gather up copies of the basket tickets. These tickets contain the basic information for price reports--the grade, the number of pounds, and the price. Tickets are assembled from the different markets that sell the same type of tobacco and are compiled for the publication of daily and weekly reports. These reports are furnished to growers on the auction floors and are further disseminated by press and radio. The grower who grades his tobacco on the basis of the Federal grades can easily interpret these reports in terms of his own crops.

The educational meetings have to be carefully planned and scheduled in advance, and, to be most effective, the work must be conducted on a rather intensive scale. The number of farmers and farm boys reached directly through this program during the last fiscal year, for example, totaled 55,575, as shown by the following table:

**DEMONSTRATION WORK--FISCAL YEAR 1940**  
Attendance

State	Farm demonstrations	Farmers' meetings	School demonstrations	Other contacts	Total
Alabama	49				49
Florida	721			10	731
Georgia	6,564	319	3,959	24	10,866
Kentucky	7,707	1,361	6,671	1,715	17,454
North Carolina	3,668	680	3,354	2	7,704
South Carolina	995	1,329	697		3,021
Ohio	710			8	718
Tennessee	5,033	1,174	3,569	1,161	10,937
Virginia	1,350	441	1,721	359	3,871
West Virginia	224				224
<b>Total</b>	<b>27,021</b>	<b>5,304</b>	<b>19,971</b>	<b>3,279</b>	<b>55,575</b>

Additional meetings were held with agricultural teachers to enable them to instruct their day classes of boys and their evening classes of adults; it is estimated that another 4,000 farmers and farmer boys were reached through this indirect contact. Through short courses at the agricultural colleges, 341 students, white and colored, learned to prepare tobacco for market. And 24 exhibits, consisting of tobacco samples representing grades marketed by growers, were staged at State and County Fairs.

Tobacco grade demonstration has developed into a major project of the Agricultural Marketing Service. The success of the program so far has been due to the importance of the problem attacked; to the constructive nature of the approach to that problem; and to the cooperation of the participating State agencies.

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#### CIGARETTE CONSUMPTION SHOWS INCREASE IN JULY-AUGUST PERIOD

Tax-paid withdrawals of 15,913,000,000 cigarettes in July represented an increase over the same month in 1939 of 11.6 percent. Withdrawals in August, however, totaled 15,840,000,000 cigarettes, a decrease of 4.4 percent from withdrawals of the same month of 1939. Total July-August withdrawals in 1940 were 3 percent above those of July-August 1939. In the opinion of the Bureau of Agricultural Economics, the domestic demand for cigarettes will be improved further by the increased industrial activity resulting from the defense program. A minor factor contributing larger consumption may be the increased number in military service.

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#### FLUE-CURED MARKETING QUOTA ANNOUNCED FOR 1941 SEASON

Following the flue-cured referendum held July 20 when 86 percent of the growers voting favored the adjustment program for the 3 years 1941-43, a marketing quota of 618 million pounds was proclaimed for 1941. State acreage allotments for the 1941 flue-cured crop will be essentially the same as those for 1940, which were as follows: Alabama, 500 acres; Florida, 13,700 acres; Georgia, 73,300 acres; North Carolina, 510,244 acres; South Carolina, 85,418 acres; and Virginia, 77,400 acres.

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The Commodity Credit Corporation is again advancing funds for the purchase of part of the flue-cured leaf which normally has been taken by the United Kingdom. Funds are also being advanced to tobacco companies of the United States who buy for export to countries now unable to import normal quantities because of the war.

Purchases of the 1939 flue-cured crop for British account reached 173,779,000 pounds. The British option, which extends to July 1, 1941, has not been exercised on 161,456,000 pounds of this total.

## APPLE PRODUCERS SIZE UP CURRENT-SEASON PROSPECTS

. . . . . By Gustave Burmeister

American apple producers, sizing up prospects for the fall and winter months, find both good and bad in the current situation. On the favorable side of the ledger is the accelerated tempo of general business activity. This means that people will have more money to spend, and farmers, basing their judgment on past experience, believe some of that extra money will be spent for apples. Also encouraging from the standpoint of supplies is the relatively small commercial crop--a crop about 6 percent below average, recent figures show. But competing citrus fruit supplies will be large, and apple exports have been seriously curtailed by wartime restrictions of one kind or another. Producers, the same as last year, must depend primarily on domestic outlets for their apples.

The demand outlook for domestic apples, however, is generally more favorable than it was last fall. Industrial production expanded sharply in early summer and has held to a relatively high level into the fall. This increase in the Nation's industrial output has provided a larger number of jobs for wage earners in urban and industrial areas--and more jobs mean more money to spend for all commodities, including apples.

The index of income of industrial workers, a good measure of consumer purchasing power, rose from 86 in April to 94 in August. This is significant considering that about 50 percent of the year-to-year changes in apple prices during the last decade have been closely associated with changes in this index. As a general rule, changes in the industrial workers' index precede changes in apple prices by 2 to 3 months. The average for the period April to March, therefore, appears to be the best measure of the demand for apples marketed during the period July to June. During April to August 1940 the index averaged 89 percent of the 1924-29 average compared with 79 percent during the corresponding period of 1939.

### 1940 Commercial Crop Smaller Than in 1939

The relatively small size of the 1940 commercial apple crop is also a favorable factor in the apple price situation. Production in 424 commercial counties of the United States is indicated to total 115 million bushels this season, or about one-fifth less than the large crop of 1939, and 6 percent less than the 5-year (1924-38) average. In the Eastern States the 1940 crop is 25 percent smaller than that of 1939, and in the Central States it is 36 percent smaller. But in the Western States the commercial crop is 2 percent larger than last year.

For the country as a whole, the production of most early or summer varieties was lighter than usual; and early apples have been sold at substantially higher prices than in 1939 when the supply of these varieties was large.

The total supply of the fall varieties is probably smaller than that of the 1939 season. The Grimes Golden crop will be light in Illinois, Maryland, and New Jersey, and only a fair crop is expected in the other important producing States. Prospects for the Jonathan crop are poor in Missouri, Illinois, Nebraska, and Ohio; about average in Pennsylvania, New Jersey, and Idaho; and average or better in Delaware, Maryland, Virginia, West Virginia, and Washington. Although the McIntosh crop in New England is about the usual size, it is considerably lighter than the heavy crop of 1939; and it is below average in other Eastern States and in Michigan. The production of Wealthys is about one-fourth lighter than last year in New England, and is light in New York, New Jersey, Pennsylvania, Ohio, and Missouri.

The late apple crop is generally smaller than last year in the Eastern and Central States, but slightly larger in the West. Except in a few areas, the 1940 late apple crop is sizing well and is generally of good quality. Recent rains in many of the important areas have been favorable to the normal development of the crop.

Baldwins are expected to be plentiful in New England but a light crop is in prospect elsewhere. Prospects for the Delicious crop are quite variable; a fairly good crop is indicated in the West, but ranges from below average to average or better in the Central and Eastern States generally. A light crop of Rhode Island Greenings is indicated for New York and Pennsylvania. The Northern Spy crop will be relatively large in New England but below average in New York, Pennsylvania, Ohio, and Michigan.

Production of Rome Beautys is expected to be light in most Central and Eastern States, but prospects are fairly good in New Jersey, Maryland, Idaho, and Washington. The outlook for Staymen apples is poor in Missouri; near average in Pennsylvania, New Jersey, and Ohio; but average or better in most other important areas. Winesap trees in Washington are heavily loaded and average or better crops are indicated in New Jersey, Nebraska, Kansas, and North Carolina; the crop is below average in Virginia and West Virginia and is very light in Illinois and Missouri. A good crop of Yellow Newtowns is expected in the Western States. The York Imperial crop will be about average in Virginia and West Virginia, but light crops are indicated in Maryland, Pennsylvania, and New Jersey. The crop will be about the same as last year in Missouri.

#### Competitive Fruit Situation Unfavorable

Though the production of late apples is generally smaller than last year, growers may expect keener competition from citrus fruits. The 1940 summer orange crop, which is marketed from June to November, totaled 27 million boxes compared with 23 million in 1939. Though it is still too early to determine the size of the winter orange crop accurately, recent reports indicate that it will be larger than that of a year earlier. Condition of California navels on September 1 was about 18 percent higher than a year earlier. But the condition of early and midseason oranges in Florida was 17 percent lower than a year ago.

A large portion of Florida's 1939 crop, however, was destroyed by a severe freeze in January. The bearing capacity of citrus groves in important States is still expanding.

The competition of citrus crops is no joke with apple growers. During the last two decades, citrus production, particularly of oranges and grapefruit, has expanded sharply. This great expansion in citrus supplies has made it increasingly difficult to market the apple crop. As consumers buy increasing quantities of oranges and grapefruit, they tend to buy less apples. With the rapid expansion of citrus production, prices of those products have dropped; and these lower prices have tended to cause consumers to shift away from the relatively higher-priced fruit. Given a similar production of apples and equal purchasing power, consumers will pay less for apples today than they would 10 or 15 years ago when citrus fruit was not so plentiful.

#### Export Prospects are Poor

Late apple producers are again faced with poor export prospects during the 1940-41 season. Whereas an average of about 12.5 million bushels of United States apples are exported annually, only 3.2 million bushels were exported in the 1939-40 season. This sharp decline has been a direct result of war restrictions on export trade. There appears to be little hope of improvement in the outlook for 1940-41, and it is probable that the total export of apples will be even smaller than in 1939-40. The principal barriers, of course, are the English blockade of the Continent, and the quantitative restrictions on imports into Great Britain. The British Government is primarily interested in obtaining war materials, and is not particularly interested in American apples. Furthermore, the difficulties of shipping and handling perishable commodities such as apples under the prevailing circumstances would be almost insurmountable.

Because of the prospective loss of the export market this season the Surplus Commodities Administration has started an apple-buying program similar to that in effect last season. Purchases for relief distribution of 1939 crop apples totaled 9.4 million bushels, but because of the smaller supply this season it is probable that the quantity so purchased will be much smaller. Apples are also designated as a surplus commodity on the Stamp Program.

The Apple Growers' National Planning Committee, meeting at Washington during the week of September 8, recommended that the Surplus Marketing Administration set up a program to purchase that part of the production of normally exported varieties that does not find a ready market in this country. A suggestion that the Surplus Marketing Administration should not buy any apples from growers who sold culls in fresh fruit channels accompanied the recommendation. It was further recommended that in the event marketing emergencies arise in any area, and if growers through their State Industry Committees request it, purchases of combination U.S. No. 1 grade and U. S. Utility grade or better of standard commercial varieties be made by the Administration from growers who agree not to sell culls in fresh fruit markets.

In general, the apple situation this season is much improved over that of 1939. A smaller supply of apples and a higher level of consumer purchasing power are expected to more than offset the effect of a smaller export movement and a larger supply of citrus fruit. Market prices to date reflect this improved situation; prices have been generally higher than a year earlier, though declining seasonally. As a general rule, the trend of prices is upward from the low point in August to the end of the marketing season.

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#### MARKETING CLASSES SLATED FOR FLORIDA CITRUS GROWERS

Florida citrus growers are going to school this winter to try to learn more about the fundamentals of marketing their vast crop. Schools in five cities have been planned by the State Agricultural Extension Service and Florida Citrus Growers, Inc., each school to be attended by not more than 15 interested growers who will later disseminate the information to other growers throughout the citrus area.

The lectures have been prepared by Dr. H. G. Hamilton, professor of marketing in the University of Florida College of Agriculture, and will be delivered by E. F. DeBusk, citriculturist, D. E. Timmons, marketing economist, and others of the Extension Service.

Schools are slated to be held in Vero Beach, Orlando, Bartow, Leesburg, and Tampa. It is expected that the classes will begin in the near future. Topics in the courses will include production and outlook of citrus, market uses, distribution, cost of services for handling, prices, marketing agreements, the Food Stamp Plan, and advertising.

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#### UNIFORM STATE LAW SUGGESTED TO AID SEED REGULATION AND MERCHANDISING

At the request of State officials, the Agricultural Marketing Service has drafted a uniform State seed law containing the most effective provisions of many existing State laws and conforming with the Federal Seed Act of 1939. Several States propose adoption of a uniform law in lieu of the various types of State seed laws now in effect.

Uniform seed legislation is desirable because of the difficulties of seed merchandising and of seed law enforcement under the large number of State laws having varying requirements. This lack of uniformity tends to create confusion and uncertainty in the administration and observance of seed laws and regulations. The legislatures of all but four or five States will meet next winter so it will be possible for most of them to consider revision of their State seed legislation at that time.

Copies of the "Suggested Uniform State Seed Law" may be obtained upon request from the Agricultural Marketing Service, U.S. Department of Agriculture, Washington, D. C.

NET-WEIGHT TRADING RELATED TO  
EXPORT SALES OF AMERICAN COTTON

. . . . . By John W. Wright

The gross-weight system of trading is peculiar to American cotton. And this system is responsible, to a large extent, for a number of unsatisfactory practices in connection with the packaging and marketing of American cotton. Considering that the per pound cost of bale covering materials is less than the value of an equivalent weight of cotton, the gross-weight system of trading encourages the use of materials that are selected on the basis of cheapness and weight rather than on the basis of protection afforded the bale contents. This involves extra costs for bale covering materials in excess of those needed for the protection of the cotton, and extra costs for transportation of the unnecessary weight; at the same time such coverings fail to provide an otherwise satisfactory bale package.

For many years proposals have been under consideration in this country for the adoption of net-weight trading of cotton accompanied by a provision for the standardization of bale tare. Though it is quite generally recognized that this reform in the cotton marketing system is needed, none of these proposals has actually been adopted. Meanwhile, the increasing competition that American cotton is meeting in foreign markets has resulted in significant adjustments in the weight basis of selling American cotton in those markets.

A study relating to the 1930-31 cotton season indicated that all of the cotton exported during that season, except about 6 percent which was exported on consignment, was sold on one or the other of the various types of c.i.f. and 6 percent contracts. Under the terms of these contracts, the cotton is invoiced at gross shipping weight less 6 percent, with various modifications as to final settlement weights. In each instance, however, a fixed allowance for bale tare is used.

More Cotton Exports Sold on Net-Weight Basis

In more recent years there has been a trend toward the exportation of American cotton under special sales contracts providing for settlement on the actual net weight of the cotton. During the season 1937-38, more than 30 percent of all American cotton exported was sold on actual net weight. For the season 1938-39, this had increased to 41 percent.

Some cotton was exported on net weight to practically all countries using American cotton. Most of the exports to Italy, Japan, China, and British India were sold on this basis.

This trend toward the exportation of American cotton on an actual net-weight basis in place of the traditional basis of selling on gross weight less a fixed allowance for bale tare, is explained very largely

by the competitive situation that has developed in world cotton markets during the past decade, particularly as affected by import regulations of some of the leading cotton importing countries. During recent years, a number of foreign countries have levied import duties or special taxes on imports of raw cotton on the basis of gross weight. As American cotton exported to foreign markets has usually carried approximately 6 percent tare whereas most foreign bales carry less than 3 percent tare, the duty on the extra weight has placed American cotton at a distinct disadvantage when in competition with cotton of other growths. The information available indicates that cotton now exported on actual net weight does not carry as heavy patches as in the case of the cotton exported on gross weight less a fixed tare allowance.

Although the use of net-weight contracts has substantially improved the competitive position of American cotton in foreign markets, it is obvious that the full advantage of this development cannot be realized so long as gross weights are used in the initial stages of the marketing process in this country. The exportation of the cotton on net weight, however, does tend to eliminate the practice of adding unnecessary weight to the gin bale tare in the form of patches and to that extent is a desirable development.

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ANNOUNCE 1,566 COTTON GROUPS  
APPROVED FOR FREE CLASSING

A total of 1,566 organized cotton improvement groups has been approved for the free classing of their 1940 cotton, compared with 918 groups last year. Membership of these approved improvement groups total 127,475 farmers who have 4,080,290 acres of cotton eligible for the free classification.

Groups receiving the free classing service also will be supplied with market news reports. And the reports on grade and staple returned by the field classing offices to group members will be acceptable for loan purposes.

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EGG AUCTION MARKET  
SUCCEEDS IN ILLINOIS

More than 2 million eggs have been sold at the Yorkville, Illinois, auction since last November. And growers have received an average premium of nearly 4 cents a dozen, or about \$6,600 more than they would have obtained on the Chicago market. This tells the story briefly of the success of the Yorkville egg auction--the only one in the State. The auction was organized November 16, 1939, by a group of poultrymen and farm advisers in northeastern Illinois. Their plan is simply to sell the week's supply of eggs at public auction; but instead of the buyer seeing the eggs as he bids on them, the official grade and weight of the eggs are marked before him on a blackboard. The plan has been so successful that the board of directors has made plans for expanding the auction next year.

FIFTEEN STATES TO HAVE TURKEY  
GRADING SCHOOLS THIS SEASON

Dressed turkey grading schools will be held in 15 States during the 1940 season. Three schedules for the schools have been arranged by the Agricultural Marketing Service as follows:

Schedule 1 with Henry G. F. Hamann in charge:

<u>State</u>	<u>Place</u>	<u>Date</u>
Illinois	Havana	Oct. 14- 15
Missouri	Columbia	Oct. 16- 17
Utah	Cedar City	Oct. 21- 22
Utah	Gunnison	Oct. 23
Wyoming	Sheridan	Oct. 25- 26
North Dakota	Minot	Oct. 29- 30
South Dakota	Brookings	Nov. 1- 2
Michigan	Lansing	Nov. 4- 5
Indiana	La Fayette	Nov. 7

Schedule 2 with F. L. McKittrick in charge:

<u>State</u>	<u>Place</u>	<u>Date</u>
Oregon	Albany	Oct. 15- 16
Idaho	Caldwell	Oct. 18- 19
Utah	Tremonton	Oct. 25
Nevada	Fallon	Oct. 28- 29
California	Selma	Oct. 31- Nov. 1
California	Modesto	Nov. 2 - 3
California	Sacramento	Nov. 4 - 5
California	Marysville	Nov. 7
California	Orland	Nov. 8
California	Riverside	Nov. 11

Schedule 3 with Lester Kilpatrick in charge:

<u>State</u>	<u>Place</u>	<u>Date</u>
Nebraska	Lincoln	Oct. 28- 29
Oklahoma	Stillwater	Nov. 1- 2
Texas	Abilene	Nov. 4- 5

The turkey grading work is carried on as a Federal-State program through cooperation with the State departments of agriculture and, in many States, with the Agricultural Extension Service. The service began in a very limited way in 1928, and since that time the quantity graded each year has varied, depending on the size of the crop. Last year 282 persons were licensed to grade dressed turkeys and the quantity graded exceeded 37 million pounds.

ANNOUNCE APPROVAL OF PROGRAM  
TO DIVERT POTATOES TO STARCH

A program for diverting surplus Irish potatoes of the 1940 crop into starch and dextrine has been announced by the Surplus Marketing Administration. Under the program, the rate of Federal payment will be 14.5 cents per bushel (60 pounds), for Irish potatoes of U. S. No. 2 grade or better so diverted. The program is similar to one conducted in 1937-38 when 3,680,000 bushels of Irish potatoes were diverted to starch.

No diversion program was conducted in 1938-39, but 2,267,000 bushels were purchased in 16 States for relief distribution. In 1939-40, when marketing conditions for potatoes were generally favorable, there was neither a diversion nor purchase program. According to officials of the Surplus Marketing Administration, the program will be confined primarily to the State of Maine, where practically all of the potato starch of the country is normally produced. Potato production this year in Maine is estimated at 45,135,000 bushels, a gain of 6,885,000 bushels over 1939 production.

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NATIONAL STOCK YARDS RATE HEARING  
SLATED FOR ST. LOUIS, NOVEMBER 18

November 18 has been fixed as the date for a hearing on the reasonableness of yardage rates charged at the National Stock Yards, East St. Louis, Illinois. The hearing will open at 10 a.m., in the Federal Building, St. Louis, Mo.

Last fall the Secretary of Agriculture issued an order of inquiry for the purpose of conducting a formal investigation of the reasonableness of new rates as well as other rates and charges contained in the stockyard company's general tariff as filed with the Department. In addition, operation of the increased rates was suspended--to the extent permitted under the Packers and Stockyards Act--for two 30-day periods. The increased charges became effective November 11, 1939. The findings of the Agricultural Marketing Service, as based on an exhaustive audit of the company's books and an appraisal of the property value, will be presented at the hearing.

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Charging that ten bags of orchard grass seed shipped by the U.J. Cover Seed Company of Mt. Gilead, Ohio, were incorrectly labeled, the U.S. District Court for the Southern District of West Virginia recently ordered the shipment destroyed.

The Ohio company had shipped the seed, labeled as 90 percent pure, into West Virginia; but upon examination the seed was found to be only 48.52 percent pure. Such incorrect labeling of seed shipped in interstate commerce is in violation of the Federal Seed Act.

CONSUMERS ASSURED OF AMPLE  
TURKEY SUPPLIES THIS SEASON

. . . . . By Harry Henderson

A big crop and large stocks in cold storage just about sum up the turkey supply situation this year. Farm holdings on September 1 indicate a 1940 production of 33,138,000 turkeys--slightly larger than the 1939 crop of 32,732,000 birds. And the 1939 crop caused quite a bit of comment last year, especially when compared with the 1932-36 average of only 23,081,000 turkeys.

Producers out in the Middle West are taking advantage of their nearness to markets and the availability of feed supplies by continuing to expand production. At least, that part of the country shows most of the increase this year. The East North Central States lead with an expansion of 11 percent over last year, and the West North Central States show an increase of 4 percent. These two areas combined make up about 43 percent of the total production this year. A larger number of turkeys is also reported in such important producing States as Pennsylvania, Virginia, Washington, and California. But decreases are reported in Michigan, Oklahoma, Texas, and Oregon.

Cold-storage holdings are also a significant factor in the turkey supply situation this year. Holdings on September 1 were reported to be 21,116,000 pounds, compared with 9,994,000 pounds in September 1939, and 5,711,000 pounds in 1938. But 8,381,000 pounds of this year's holdings were moved out of storage during August, and in view of the large stocks in storage now, a heavier movement than last year is expected during the coming months. By Thanksgiving, cold-storage stocks may be reduced to more normal levels.

A Turkey For Every Oven

Consumers, who are always in favor of bigger and better turkey crops, have estimated that enough birds are on hand to furnish every family in the country with at least one turkey dinner this fall. Taking the Census Bureau's latest figures on population, and using a little long division they find that the United States now has in the neighborhood of 33 million families. By dividing this number into the Crop Reporting Board's 1940 turkey production estimate of a little over 33 million turkeys, it figures out to slightly more than 1 turkey per family. Taking into consideration the cold-storage holdings of over 21 million pounds, many families could even have an extra turkey dinner during the current marketing season.

The turkeys that consumers buy this fall will also be slightly heavier than last year, growers report. For the United States as a whole, hens will be one-tenth of a pound heavier, and toms will weigh two-tenths of a pound more.

This matter of turkey weights represents, in a way, the conflict of two schools of thought. For the past few years, poultry specialists at

the Department of Agriculture's Research Center at Beltsville, Maryland, have been developing a "streamlined" turkey--a bird of high quality but considerably smaller than the usual run of turkey--believed to be better adapted to the average size of the American family. Considerable progress has been made in this direction.

But all the way across the country, out in Washington State, turkey breeders have bent their efforts primarily to the development of birds with heavier breasts--and let the weight take care of itself. Other areas, particularly the Middle West, have followed Washington State's lead in the breeding of heavy-type turkeys. In addition, better feeding practices in all parts of the country have undoubtedly contributed to a trend that has been consistently toward heavier weights.

#### Early Marketings Slated for This Year

Turkey producers, considering the size of the crop, have decided to lengthen the 1940 marketing season by selling their birds earlier than they did last year. Marketings in October or earlier, will be about 12 percent of the season's total, compared with 10 percent in 1939. November marketings are expected to be 45 percent of the total, compared with 39 percent a year earlier. Prospective December marketings are 32 percent, compared with 36 percent a year ago. And marketings during January and later are expected to be only 11 percent of the season's total, compared with 15 percent last year.

In addition to lengthening the marketing season, producers have a very special reason for disposing of their turkeys earlier this year. So far as the markets will absorb the offerings at acceptable prices, earlier shipments and abundant early supplies should tend to increase early consumption and thus remove some pressure from the late market. Prices during the earlier part of the season will probably determine whether the volume marketed early will be as large as now expected. If early prices are not satisfactory, many growers may risk holding their turkeys to a later date--marketing them at heavier weights, though at possibly lower prices.

Last year, producers followed their usual custom of marketing a large crop late in the season, though earlier marketing might have been more advantageous and might have prevented the late market glut and price collapse. Taking their lesson from last year, producers have decided not to be caught with heavy supplies late in the season; and this may be a wise course if early marketing is not pushed too far.

#### Demand Situation More Favorable Than Last Year

Turkey prices around Thanksgiving and Christmas are still a matter of speculation, but demand conditions seem to be a little more favorable than last year. Factories all over the country are busily filling defense orders and business activity, as measured by various indexas, is at a higher level than a year ago. With more people at

work, more money is available to be spent for turkeys. The competitive situation, furthermore, has shaped around in favor of turkey producers. Farmers raised 12 percent fewer chickens than in 1939, and supplies of other meats will be smaller. Producers were receiving 14.3 cents per pound for turkeys on September 15, compared with 15.4 cents on the same date last year, but the spread between 1939 and 1940 prices has tended to narrow each month.

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#### LIVESTOCK AUCTIONS SHOW INCREASE IN LOUISIANA

A Louisiana State Experiment Station report shows that 22 livestock auctions are now operating in various parts of Louisiana. Cattle, calves, hogs, and sheep are sold at the auctions and farmers are finding them a good market for small lots of livestock, inasmuch as the auction will sell one head or a hundred, regardless of kind or quality.

Though a large part of the livestock sold on the local auctions eventually is disposed of in central livestock markets, the farmer has in the auction a nearby market outlet that is advantageous. The study shows that most farmers using the auctions are in favor of this new development in marketing. It is also believed, the report says, that because of the service provided by the auctions, farmers may be encouraged to enlarge their livestock operations.

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#### REVISED CANNED TOMATO STANDARDS TO BECOME EFFECTIVE APRIL 1, 1941

Revised standards for grades of canned tomatoes, promulgated August 17, will become effective April 1, 1941. It had previously been announced, through error, that the standards would become effective September 16, 1940. The new standards set minimum limits in three grades for drained weight, percentages of whole or almost whole tomatoes, small and large pieces in the pack, color, and defects. Canned tomatoes failing to meet the requirements of any of the three grades, or of the fill of container and quality standards promulgated under the Federal Food, Drug, and Cosmetic Act of June 25, 1938, are designated in the terms prescribed in the regulations under that act.

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Mid-September prices of all farm products at local markets throughout the country averaged 1 point higher than a month earlier; and at 97 percent of the 1910-14 level, the general index of all agricultural commodities was only slightly lower than a year earlier. But the ratio of prices received to prices paid, interest, and taxes was still 24 points below the level of the 1910-14 base period.

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### PERTAINING TO MARKETING

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The following publications, issued during September, may be obtained upon request to the Agricultural Marketing Service, Washington, D. C.

Roller-Gin Construction, Maintenance, and Operation...By James S. Townsend, Thomas C. Walton, and William J. Martin

Preparing Wool for Market (Revised) ...by Warner M. Buck.  
Printed Leaflet No. 92

Preparation of Fire-Cured Tobacco for Market...By Hugh W. Taylor

Regulations for Warehousemen Storing Broomcorn (S.R.A. No. 158)

Handbook for Cotton Classers

Buying Beef by Grade (M.P. No. 392)

This printed and illustrated leaflet shows consumers how the Government grade stamp takes the guesswork out of beef purchasing.

Production, Farm Disposition, and Value of Beans, 1909-37

Standards

U.S. Standards for Bunched Shallots  
Effective October 1, 1940

U. S. Standards for Bunched Italian Sprouting Broccoli  
Effective October 1, 1940

Market Summaries, 1939-40 Season

Marketing Northwestern Onions

Marketing Northwestern Pears

Marketing the Onion Crop  
Winter Garden and Eagle Pass Districts, Texas

Marketing North Carolina Peaches

Marketing Northwestern Potatoes

Marketing Colorado Melons